

Message Text

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PAGE 01 BERN 04603 100839Z

21

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 OMB-01 TRSE-00 CIEP-02 COME-00 EB-07 /078 W

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R 091642Z DEC 74

FM AMEMBASSY BERN

TO SECSTATE WASHDC 9951

INFO AMCONSUL ZURICH

UNCLAS BERN 4603

E.O. 11652: N/A

TAGS: EFIN, SZ

SUBJECT: SWISS PEOPLE REJECT TAX INCREASES

REF: BERN 4574

1. ON DECEMBER 8 SWISS VOTERS REJECTED GOVERNMENT'S PROPOSAL TO INCREASE A TURNOVER AND INCOME TAXES BUT ACCEPTED THE DECREE WHICH REQUIRES A TWO-THIRDS VOTE OF PARLIAMENT TO RAISE EXPENDITURES. BOTH PROPOSALS TO EXPAND PRESENT NATIONAL HEALTH INSURANCE PROGRAM WERE ALSO REJECTED.

2. VOTER TURNOUT WAS SURPRISINGLY LOW (ABOUT 38 PERCENT OF ELIGIBLE VOTERS) CONSIDERING BREAD AND BUTTER NATURE OF ISSUES. THERE WAS NO DOUBT, HOWEVER, OF FRUGAL ATTITUDE OF THOSE WHO DID VOTE; 56 PERCENT OPPOSED INCREASED TAXES AND 67 PERCENT FAVORED STRICTER CONTROL ON GOVERNMENT SPENDING. MAJORITY IN ONLY FOUR CANTONS APPROVED HIGHER TAXES. ON QUESTION OF GREATER HEALTH INSURANCE BENEFITS (AND COSTS) 72 PER CENT WERE AGAINST SOCIALIST PARTY'S INITIATIVE FOR A GREATLY EXPANDED PROGRAM AND 66 PERCENT REJECTED GOVERNMENT'S MORE MODEST COUNTER-PROPOSAL. IN ALL CANTONS MAJORITY OF VOTERS SAID NO TO ANY INCREASE IN HEALTH INSURANCE.

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PAGE 02 BERN 04603 100839Z

3. MOST GOVERNMENT OBSERVERS WERE SURPRISED THAT TAX MEASURE

NOT APPROVED. FEDERAL COUNCIL HELD EMERGENCY MEETING EARLY
MONDAY MORNING (DECEMBER 9) TO REEXAMINE SPENDING PROGRAMS
FOR 1975 AND PARLIAMENT IS EXPECTED TO HOLD A SPECIAL
BUDGET SESSION IN JANUARY.
DAVIS

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NNN

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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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